

SPECIAL TOWN COUNCIL MEETING

NOVEMBER 19, 1991

7:00 P.M.

AGENDA

1. Roll Call & Pledge of Allegiance
2. Report Out From the Revaluation Committee on the Progress to Date - Comptroller's Office
3. Discussion and Possible Action on Endorsing the Business Development Task Force Report and Establishing an Economic Development Incentive Rate - Program Planner's Office
4. Discussion and Possible Action on Overturning Actions of the Public Utility Commission Taken at its November 6, 1991 Meeting - Chairman Killen

SPECIAL TOWN COUNCIL MEETING

NOVEMBER 19, 1991

7:00 P.M.

A special meeting of the Wallingford Town Council was held on Tuesday, November 19, 1991 in the Robert Earley Auditorium of the Wallingford Town Hall and called to order at 7:10 P.M. by Chairman Albert E. Killen. All Councilors answered present to the Roll called by Town Clerk Kathryn J. Wall with the exception of Mr. Solinsky who arrived at 7:12 P.M. Mayor William W. Dickinson, Jr. was present Town Attorney Janis Small arrived at 7:19 P.M. and Comptroller Thomas A. Myers was also present.

The Pledge of Allegiance was given to the Flag.

ITEM #2 Report Out From the Revaluation Committee on the Progress to Date - Comptroller's Office

Motion was made by Mr. Bradley to Hear the Discussion, seconded by Mr. Holmes.

Frank Barta, Assessor; Dennis Hlavac, Chief Appraiser; Larry LaBarbara, George Wares and Jim Ramous of Cole Layer Trumbull were all present to give an overview of the phases of the project to date.

Mayor Dickinson reminded everyone of the purpose of this presentation which is to thoroughly explain the process and update everyone on what juncture the project now stands at. The committee will explain the procedures that the residents can follow if they have questions concerning the accuracy of their assessments. There will be future meetings on the subject with the next one to be held sometime in January.

The committee, in turn, detailed the data collection, data mailer confirmation, final review, computer system, information brochure, sales data, real estate comparison, revaluation notices, procedures to follow for dispute of an assessment and finally, what the next steps are in the process, aspects of the revaluation program (see appendix I).

It was stressed on numerous occasions that any resident of the town who has general questions/concerns regarding the process feel free to contact the Assessor's Office. Cole Layer & Trumbull should be contacted by the residents if they have questions regarding their assessment.

It is the hope of the committee to have the notices mailed out to the residents by the end of next week. If not, it will most definitely be sometime this month.

Property owners are encouraged to schedule an appointment within ten days to appeal their assessment. Appointments can be scheduled during the weekdays, nights, and Saturdays in room #315 of the Town Hall. If the party still remains dissatisfied then they can take their appeal to the Board of Tax Review.

The question was raised on whether or not the revaluation should be phased in and Mr. Barta felt it was not necessary. A great deal of information still needs to be gathered, i.e., motor vehicle and personal property and should be completed by January of 1992. Last year's figures for motor vehicle and personal property could not be used for comparison due to the fact that there is a recessionary economy. Business and industry is not reinvesting currently in equipment and fixtures, therefore, the town is expecting to see a decrease in that section. Due to the recession some people have been forced to put aside their second or third car or refrain from registering it. For these reasons last year's figures cannot be used as comparison. Relatively speaking, commercial and industrial personal property and motor vehicles represent approximately 25% of the grand list for 1990.

The town is eligible to receive a grant in the amount of \$35,000 from the State if we meet all necessary requirements. Once the grand list is complete the Office of Policy and Management will inspect the Assessor's Office to assure that it meets all guidelines and requirements. Once we have received OPM's approval the funds will be granted.

Booklets offering information will be available to the public in the Assessor's Office, Electric Division Office, Library and Tax Office.

Tim Cronin of 47 S. Ridgeland Road asked if figures will be available for the public to review to compare the 1981 taxes paid by large corporations such as American Cyanamid to what they will pay in 1991?

Mr. Barta informed Mr. Cronin that that information can be obtained from the Town Clerk's Office however, the mill rate was substantially lower in 1981 vs. 1991.

Mr. Cronin feels that the homeowners will carry the majority of the burden from the assessment vs. commercial customers.

Mr. Peter Marty of 34 Country Way stated that he did not receive any of the information at his newly constructed home.

Mr. Barta encouraged Mr. Marty to contact the Assessor's Office.

Mr. Tim Tyler of 147 Constitution Street asked if data will be corrected at the informal hearing on the property?

Mr. Hlavac stated that the homeowner can present any information that they feel is incorrect at the informal hearing. If the property listing card is incorrect at that time then the revaluation company will correct it. Upon completion of the informal hearing the home-

owner will be notified one way or another as to the determination made by the revaluation firm as a result of the informal hearing. If the homeowner still feels aggrieved by the process after the informal hearing then a formal complaint can be filed with the Board of Tax Review.

The Mayor stated that a homeowner can notify the Assessor's Office now if they feel there is an error recorded with the property.

Diana Hotchkiss, 38 Clifton Street asked if homeowners should call the Assessor's Office to make sure that the corrected information that was mailed in by the homeowner was, in fact, received by the Assessor?

Mr. Hlavac did not feel that it was necessary to do so, the mail is forwarded to a post office box and he sees no reason why it should not reach its destination.

Ms. Hotchkiss asked if all of Choate's property is tax exempt?

Mr. Barta responded, no, not all of Choate is tax exempt. They own and rent approximately twelve homes and pay taxes on all of them.

Nicholas Serencha, 15 Laurelwood Drive was uncomfortable with the way the data is collected and compiled by Cole Layer Trumbull. He asked when the neighborhood assessments will be available?

Mr. Hlavac hoped it will be available simultaneously with the mailing of the notices.

Mr. Barta felt that Mr. Hlavac was being optimistic and that the information should be available within a week.

The Council thanked the committee for keeping the public and Council aware and informed during this process.

No action was taken.

The Chair declared a five minute recess.

ITEM #3 Discussion and Possible Action on Endorsing the Business Development Task Force Report and Establishing an Economic Development Incentive Rate - Program Planner's Office

Motion was made by Mr. Bradley, seconded by Mrs. Duryea.

Don Roe, Program Planner and Gary Powell, Chairman of the Business Development Task Force appeared before the Council for the presentation.

The Business Development Task Force Established by the Council at the request of the Economic Development Commission has been studying the efficacy of a local program of incentives to aid in the filling of vacant manufacturing and commercial buildings. The effect of these vacancies to employment opportunities, personal property

tax revenues and utility sales are most evident.

The program criteria for Economic Development Incentive Rider is as follows:

1. Restricted to existing vacant industrial and commercial space in Wallingford.
2. Space must be vacant for a minimum of six months.
3. Building must comply with all Town and State building, fire, health and Planning & Zoning regulations.
4. Owner and leasee must be current on all tax and utility payments. Must keep payments current.
5. If owner or tenant from Wallingford, then must maintain existing load at current location. The discount applies to new load only at previously vacant site.
6. Minimum new load to be eligible for discount: 100kw.
7. Discount period: 2 years
8. Discount rate: 10%
9. Discount applied to net bill (gross less sales tax).
10. Application deadline: 18 months from adoption of program rate by P.U.C.

The focus has been on vacancies, not on new development.

There are two options; tax abatement which only can be done under Section 7-480 of the CT. General Statutes (Bristol is currently the only city that has incorporated this); to look at utility discounts. The last of the two options is the one that has been suggested by the task force. The task force feels that this is one of the cheapest and easiest methods to adopt for an incentive program at this time and recommends that the Council adopt the proposal and the discount rate of 10% for a two year period of time offered by the Electric Division. The task force does realize that the P.U.C. would still need to go through their rate setting process and hold a public hearing.

Ms. Papale made the Council aware of the fact that the P.U.C. is in favor of this proposal and voted on supporting it at its October 8, 1991 meeting.

Mr. Bradley asked if we are competitive with our neighbors?

Mr. Roe responded that some commercial/industrial customers will be paying more, some less, it depends on the nature of the load.

Mr. Bradley asked who fits the category of a 100 kw user?

Mr. Roe explained that it is a fairly large user, someone about the size of Stop & Shop. They would have to use 100 kw hours per month.

Mr. Bradley felt that Wallingford has numerous amounts of incentives in its own right, i.e., railway access; interstate highway access; municipally owned utilities; centrally located, easily accessed industrial parks; a quality school system, etc., but feels that the State of Connecticut needs to make a concerted effort, along with the Federal Government to address the financial and economic problems that are a major role playing factor in this issue.

Mrs. Duryea had a problem with giving an incentive to businesses when people are losing their homes. She was very concerned and asked about the existing businesses that are failing and closing how can we offer incentives to new businesses when existing ones are failing?

The Economic Development Commission has been working on the issue of retention as well. The task force did discuss the possibility of broadening their mission to help existing businesses but felt that it was a bit presumptuous at this time and did not want to be faulted for doing it. It has to be a slow process, everything cannot be accomplished at once. The current proposal will cause a "ripple" effect to the smaller businesses in town.

Mr. Gouveia expressed some of the same concerns as Mrs. Duryea. He feels that the small business person has just as much difficulty coping with the economy as a large customer. He wishes that it was not so discriminatory. He does support the overall concept. He asked what type of an impact the 10% incentive will have on the Electric Division revenues?

Mr. Roe explained that this proposal applies to new customers so it would be all new revenues.

Mr. Gouveia then asked about the marginal of profitability?

Mr. Roe responded that it would be less than 10% but his understanding is that the selection of the incentive rate is such that it is a break even or actually still a profitable rate to the Division.

Ms. Papale reminded everyone that this incentive will be limited to two years.

Mr. Holmes felt that location alone will not be the main criteria to entice businesses to locate here. He does not advocate a flat, across the board tax program but hopes that the task force can expand on this proposal and focus more on retention of business at another time.

Mr. Solinsky referred to the list of vacant buildings and asked how many of the vacancies would be affected by a 100 kw user?

Mr. Roe did not work up an analysis to that effect but felt that it

could encompass a fair number depending upon the kind of equipment or machinery that a company would have so as to meet that minimum demand.

Mr. Solinsky agreed that we should start looking at the smaller businesses as well.

Mayor Dickinson stated that this is a first step and hopefully the economy will improve, that may not happen. He is asking that both the Economic Development Commission and ultimately the P.U.C. look at lower electric rates, not just for one segment but across the board. The town should see this as a potential to aid people in difficult times.

Mr. Killen had mixed feelings on this issue. He stated that the very vehicle the town is using to entice new business in is the very same vehicle that the Council tried to use to give everyone in town a tax break and was told that they could not do it. He could not support this in good conscious when the people that have been here for years, on the verge of losing their home cannot receive any breaks with their electric rates.

Mr. Bradley amended the motion to read that the Council Approve and Endorse the Economic Development Commission's Rider Based on the following Criteria:

1. Restricted to existing vacant industrial and commercial space in Wallingford.
2. Space must be vacant for a minimum of six months.
3. Building must comply with all Town and State building, fire, health and Planning & Zoning regulations.
4. Owner and leasee must be current on all tax and utility payments. Must keep payments current.
5. If owner or tenant from Wallingford, then must maintain existing load at current location. The discount applies to new load only at previously vacant site.
6. Minimum new load to be eligible for discount: 100kw.
7. Discount period: 2 years
8. Discount rate: 10%
9. Discount applied to net bill (gross less sales tax).
10. Application deadline: 18 months from adoption of program rate by P.U.C.

Seconded by Mr. Holmes.

VOTE: Duryea and Killen, no; all others, aye; motion duly carried.

ITEM #4 Discussion and Possible Action on Overturning Actions of the Public Utility Commission Taken at its November 6, 1991 Meeting - Chairman Killen

Motion was made by Mr. Bradley, seconded by Mr. Parisi.

The nature of this request by Mr. Killen is due to the fact that the P.U.C., at its meeting of November 6, 1991, had taken it upon itself to credit four customer's accounts that were being disputed.

Mr. Killen's issue at hand is the fact that he questions the P.U.C. on where they derive the power and authority to rebate or credit funds to an account?

Town Attorney Small did not interpret this action by the P.U.C. as unlawful. It is an issue of disputed bills that are reviewed and credited. It is nothing out of the ordinary to do so.

The cases are as follows:

1. Mrs. Bauscher disputes her billing of \$263.00. The past four bills have been much smaller in nature, \$52.; \$71.; \$56 and \$50, respectively. She left for a week to visit Atlanta during which time her son was the only resident of the home. This billing period does span the hot summer months, however, she is an elderly widow who does not tend to a garden nor does she water her lawn.

Roger Dann, General Manager of the Water Division pointed out the fact that the usage pattern returned to normal prior to the inspection of the meter and household, therefore there is no way of knowing exactly what happened.

The P.U.C. voted to credit Mrs. Bauscher's account \$100.

The majority of the Council was not comfortable with the justification behind the P.U.C.'s decision to credit Mrs. Bauscher. They felt that since the meter checked out and too much time had lapsed prior to inspection, there was too much room for foul play. There could possibly have been a major plumbing problem at the residence that had been repaired prior to the inspection by the Water Division. The Council also felt that the P.U.C. felt sorry for Mrs. Bauscher due to the fact that she is an elderly widow and, for the most part, lives alone and that information overshadowed the issue at hand. The Council felt that you cannot feel sorry for one customer and not others, there are too many people who have hardships of one nature or another who cannot afford to pay their bills but do so. Since no malfunction was detected in the equipment, there should have been no credit issued.

Seven votes are required to overturn the action of the P.U.C.

Mr. Bradley amended the motion to read, Consider and Approve Reversing the Action Taken by the P.U.C. in the Claim of Mrs. Bauscher vs. the P.U.C., seconded by Ms. Papale.

Holmes left at 11:10 P.M.

VOTE: Holmes was absent; Parisi & Solinsky, no; all others, aye; motion failed.

The next case was that of Caroline Betts of 31 Parker Farms Road. She received a water bill which reflected an increase of approximately 400%. The last actual reading prior to this bill had been June 27, 1990. June 28, 1991 a new meter was installed at her home at her request. The old meter was located in the home and was inaccessible by the meter reading staff. The usage was billed on an estimated basis using previous levels. Her normal consumption of water was approximately 15 cubic feet per day. She is being billed for 60 cubic feet per day and disputes this billing. The meter checked (fine and a second meter was installed which continued to record the high usage of water. Ms. Betts does not own a pool, washing machine and does not tend a garden. She lives with her daughter who attends school during the day and Ms. Betts works 40 - 50 hours per week.

The P.U.C. voted to credit Ms. Betts account in the amount of \$200 and allow her to pay in installments over the period of 12 months the balance remaining on the disputed bill.

The Council, again, did not feel there was enough evidence in favor of Ms. Betts to grant her a credit.

Mr. Bradley made a motion to Reverse the Action of the P.U.C. in the Case of Mrs. Betts vs. the P.U.C., seconded by Ms. Papale.

VOTE: Holmes was absent; Parisi & Solinsky, no; all others, aye; motion failed.

The final case is that of a Mr. Barneschi, an 82 year old gentleman who lives on the third floor of his property while renting out the bottom floor as a restaurant. His lease with his tenant stipulated that the tenant is to pay the water and sewer bills. Upon receipt of the bill in the mail he would deliver it, unopened, to his tenant to take care of. For the first three years of the lease the bill was paid on time. No payments were made on the account from September 1, 1983 on. Mr. Barneschi was never contacted by anyone from the Water Division informing him of this problem. In March of 1990 he mistakenly opened the bill in the mail to discover a balance of \$9,000 existed. Mr. Barneschi hired an attorney to try to force his tenant to pay the bill but had to subsequently evict them since they were failing to own up to their obligation. The tenant also avoided his gas and electric obligations as well.

The P.U.C. rebated \$1,544.97 to Mr. Barneschi.

The Council could not understand how a bill could go uncollected for so long without proper follow-up. The majority felt that it was

an unfortunate situation and Mr. Barneschi failed to be notified in an appropriate amount of time to prevent the bill from becoming excessive and out of hand.

Tim Cronin, 47 S. Ridgeland Road was extremely agitated with the P.U.C. rulings on the above-mentioned cases. He felt that there is no justice in the system. What is good for one is good for everyone. He vowed to stop paying his bill and let the town place liens on his property. He left the meeting thoroughly disgusted and agitated with the system.

Mr. Killen urged Mr. Cronin to try to calm himself prior to leaving and driving himself home, but to no avail.

Motion was made by Mr. Bradley to Reverse the Action Taken by the P.U.C. in the Case of Mr. Barneschi vs. the P.U.C., seconded by Mr. Zandri.

VOTE: Holmes was absent; Bradley, Zandri & Killen, aye; all others, no; motion failed.

A motion was made by Mr. Bradley to Adjourn the Meeting, seconded by Mr. Parisi.

VOTE: Holmes was absent; all others, aye; motion duly carried.

There being no further business the meeting adjourned at 11:26 P.M.

Meeting recorded and transcribed by:

Kathryn F. Milano

Kathryn F. Milano, Town Council Secretary

Approved by:

Albert E. Killen, Chairman

Date

Kathryn J. Wall, Town Clerk

Date

APPENDIX TO TOWN COUNCIL MEETING MINUTES

OF

NOVEMBER 19, 1991

ITEM #4 Discussion and Possible Action on Overturning Actions of Public Utility Commission Taken at Its November 6, 1991 Meeting - Chairman Killen

Mr. Bradley referred to the next case where the P.U.C. voted against granting Mr. Emil Lawrence and his neighbors a rebate on their flat rate charges from 1989 to the present. The P.U.C. took action in 1989 to allow for the installation of meters on private services which would allow for an accurate indication of the amount of water being consumed and that would then be the basis for billing on those accounts.

Mr. Bradley was one of those customers affected by that action. The original flat rate charge incorporated by the P.U.C. was based on an average of 16,000 cubic feet per year per account. This usage was based on statistical information available at that time. He stated that he did not use 16,000 cu. ft. of water.

Mr. Kovacs responded that there is no case history on this case.

Mr. Lawrence then questioned Mr. Smith at that P.U.C. meeting how did they arrive at the figure of 12,000 cu. ft.?

Mr. Kovacs responded, whether 12,000 cu. ft. is equitable, I don't know.

Mr. Bradley vowed to pursue this issue and warned Mr. Kovacs, the Mayor and staff that this will not become another Rights In Deeds issue.

Mr. Kovacs assured everyone that the P.U.C. does not want that either.

Mr. Killen asked where the statistics came from?

Mr. Bradley responded, there are none.

Mr. Lawrence interjected that Mr. Burnes did a nationwide survey and supposedly came up with this figure. Mr. Smith stated at that meeting that 16,000 cu. ft. was the national average. Mr. Lawrence challenged Mr. Smith on the source of this information and Mr. Smith could not answer. He could not produce one shred of evidence that supported the statistic.

Mr. Lawrence conducted his own survey using Sewer Division records involving 27 homes on the south side of Route #15. He asked for the readings on these homes for one year. It was an average of 7,000+ cu. ft. per residence.

After months of arguing, stated Mr. Lawrence, Mr. Nunn called the residents fools and declared no rebate for them. The residents settled for a meter. Mr. Lawrence's meter readings are well below 10,000 cu. ft. per year.

Mr. Lawrence went on to say, suddenly in June of 1990 4,000 cu. ft. are taken off of the flat rate usage. He asked, who authorized this? He asked if it came before the Council? He received no response from the P.U.C. He pointed out that there are customers whose usage is well under 4,000 cu. ft. per year. Why shouldn't they receive a rebate?, he asked. He demanded that his group be treated like gentlemen.

He asked why P.U.C. Commissioner Dave Gessert did not put a meter on his well?

Mr. Gessert responded that he has incurred pump expenses and would be happy to trade off a meter reading as opposed to pump expenses.

Mr. Peter Belejack, 1165 S. Curtis Street informed the Council that he was not here to cause trouble but to be treated fairly and with equity. He felt that his group was being treated like second class citizens because of the side of town he resides in. He feels it is a clear cut case of robbery. He is not looking for cash in hand but rather a rebate on his account. His group knows they are right and has vowed to fight this until it is taken care of equitably.